



General Assembly

Substitute Bill No. 1004

January Session, 2003

***AN ACT CONCERNING THE REVITALIZATION AND
REDEVELOPMENT OF CERTAIN HOUSING PROJECTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) As used in this section and sections
2 2, 3 and 4 of this act:

3 (1) "Commissioner" means the Commissioner of Economic and
4 Community Development.

5 (2) "Housing disposition plan" means a plan developed by a local
6 housing authority in Hartford, East Hartford, New Britain, New
7 London or Stamford, in consultation with the residents of such project
8 and representatives of the municipality in which such development is
9 situated, to address the disposition of one or more state-assisted
10 housing development or a portion of one or more state-assisted
11 housing development, originally built prior to 1970, which was
12 developed by a local housing authority pursuant to parts II and VI of
13 chapter 128 of the general statutes. The plan shall describe the
14 alternatives considered by the local housing authority in planning for
15 the future of the existing housing development.

16 (3) "Sponsor" means (A) a housing authority created pursuant to
17 section 8-40 of the general statutes; (B) a nonprofit corporation
18 incorporated pursuant to chapter 602 of the general statutes, having as
19 one of its purposes the construction, rehabilitation, ownership or

20 operation of housing; (C) any business corporation incorporated
21 pursuant to chapter 601 of the general statutes, having as one of its
22 purposes the construction, rehabilitation, ownership or operation of
23 housing; (D) any limited liability company, partnership, limited
24 partnership, joint venture, sole proprietorship, trust or association
25 having as one of its purposes the construction, rehabilitation,
26 ownership or operation of housing; (E) a family or persons approved
27 by the commissioner as qualified to own, construct, rehabilitate,
28 manage and maintain housing; (F) a municipal developer; or (G) any
29 combination of the entities above.

30 (4) "Project area" means the area within the city of New Britain in
31 which the development is located.

32 (5) "Local planning committee" means a committee created by the
33 board of the local housing authority for the purpose of developing a
34 housing disposition plan and that is comprised of residents of the
35 development, representatives of the municipality in which the
36 development is located, representatives of the Department of
37 Economic and Community Development and the Connecticut Housing
38 Finance Authority and may include local community leaders,
39 including representatives of business, labor, education and social
40 services organizations and any other persons the board deems
41 necessary.

42 (6) "Housing authority" means the housing authority of the city of
43 New Britain, Hartford, New London, Stamford or East Hartford.

44 (7) "Housing costs" means the portion of rent, mortgage principal
45 and interest payments, estimated heat and utilities costs, home owner's
46 insurance and taxes paid by the renter or home owner.

47 Sec. 2. (*Effective from passage*) (a) The housing authority of the city of
48 New Britain, in cooperation with the Commissioner of Economic and
49 Community Development, may revitalize or redevelop the Corbin
50 Heights, Corbin Heights Extension, Pinnacle Heights and Pinnacle
51 Heights Extension developments only pursuant to a housing

52 disposition plan and in accordance with sections 1 to 3, inclusive, of
53 this act. A housing disposition plan created on or after January 1, 2002,
54 by a local planning committee shall provide for the rehabilitation,
55 reconstruction or reconfiguration of a development and may include
56 the demolition of some or all of the existing buildings in a
57 development and replaces them with fewer units of newly constructed
58 or rehabilitated housing but which provides for replacement pursuant
59 to subsection (b) of this section and shall be subject to chapter 135 of
60 the general statutes.

61 (b) The city of New Britain shall assure that the number of
62 replacement units of assisted housing for low and moderate income
63 households, upon completion of the housing disposition plan, shall be
64 not less than six hundred thirty-five units. The replacement units may
65 be in the form of new construction, rehabilitation, renovation, or
66 housing pursuant to Section 8 of the United States Housing Act of
67 1937, as from time to time amended, or state rental assistance program
68 rent subsidies. Except for rehabilitated or renovated units in state-
69 assisted housing developments, no rehabilitated or renovated unit
70 shall constitute a replacement unit, pursuant to this subsection, unless
71 it has been declared substandard by the city or vacant for at least one
72 year prior to said rehabilitation or renovation. Unit replacement
73 requirements shall be completed within the time frames established in
74 the housing disposition plan. Upon completion of the housing
75 disposition plan:

76 (1) Not less than two hundred seventy and not more than five
77 hundred fifty replacement units shall be within the existing state-
78 assisted development. Such units shall be rehabilitated or constructed
79 over a period of five years from the commencement of the
80 development under the housing disposition plan.

81 (2) Not less than twenty-five per cent of the replacement units
82 within the existing state-assisted development shall be rented or sold
83 to persons whose incomes are below sixty per cent of the median area
84 income adjusted for family size. Housing costs for such units shall not

85 exceed eighteen per cent of the median area income adjusted for family
86 size.

87 (3) Not less than five per cent of the replacement units within the
88 existing state-assisted development shall be rented or sold to persons
89 whose incomes are below the federal poverty level adjusted for family
90 size.

91 (4) A number of replacement units may be located outside the
92 existing state-assisted development, which number shall not be less
93 than the difference between six hundred thirty-five and the number of
94 replacement units to be within the existing state-assisted development.
95 Neither the commissioner nor the Connecticut Housing Finance
96 Authority shall be obligated to finance any units located outside of the
97 existing state-assisted development.

98 (5) Not less than five per cent of the replacement units located
99 outside the existing state-assisted development shall be rented or sold
100 to persons whose incomes are below the federal poverty level for the
101 program established pursuant to Section 8 of the United States
102 Housing Act of 1937. The housing disposition plan shall provide that
103 the city of New Britain require that no fewer than ten replacement
104 units be constructed for occupancy for persons meeting the income
105 requirements of this section every year that the housing disposition
106 plan is in force and each year thereafter until the requirements of this
107 section are fulfilled.

108 (6) A number of the replacement units located outside the existing
109 state-assisted development shall be rented or sold to persons whose
110 incomes are at or below the median area income adjusted for family
111 size, which number shall not be less than the difference between the
112 number of replacement units required pursuant to subdivision (4) of
113 this subsection and the number of replacement units provided in the
114 housing disposition plan pursuant to subdivision (5) of this subsection.
115 The housing disposition plan shall provide that the city of New Britain
116 require that no fewer than ten replacement units be constructed for

117 occupancy for persons meeting the income requirements of this section
118 every year that the housing disposition plan is in force and each year
119 thereafter until the requirements of this section are fulfilled.

120 (c) The housing authority of the city of New Britain shall hold a
121 public hearing on the housing disposition plan. At least thirty days
122 prior to the public hearing, the housing authority shall provide a
123 written notice to each household in the development of the date, time,
124 and place of the public hearing. Such notice shall inform each
125 household that the housing disposition plan is on file and available for
126 inspection at the housing authority's office.

127 (d) The commissioner may provide funds, for the purpose of this
128 section, from bond funds authorized prior to the effective date of this
129 section, but not yet allocated, provided such funds shall be used solely
130 for capital costs and that replacement units described in subdivision
131 (1) of subsection (b) of section 2 of this act shall have priority in the
132 award of funds.

133 Sec. 3. (*Effective from passage*) (a) (1) In compliance with the
134 provisions of this act, the housing authority of the city of New Britain
135 may, pursuant to the final housing disposition plan and with the
136 approval of the commissioner, sell, lease or transfer, or take any
137 combination of such actions, to a selected sponsor all or part of the
138 premises and buildings comprising the Corbin Heights, Corbin
139 Heights Extension, Pinnacle Heights and Pinnacle Heights Extension
140 housing developments, for a housing use, or (2) the housing authority
141 may, pursuant to the final housing disposition plan, sell or transfer, or
142 take any combination of such actions with regard to a portion of the
143 premises and buildings comprising said housing developments, "as is"
144 to the city of New Britain, with the approval of the commissioner, or to
145 an entity or entities designated and approved by the city of New
146 Britain and the commissioner, for such alternative nonhousing uses as
147 may be appropriate. As consideration for any such sale, lease or
148 transfer, or combination of such actions, the state may cancel the
149 outstanding notes and mortgages, including principal, interest and late

150 charges, owed by the housing authority to the state with respect to said
151 housing developments. The commissioner may also extend,
152 renegotiate or modify, in whole or in part, the outstanding notes and
153 mortgages and grants which are owed or provided to the housing
154 authority with respect to said housing developments and assign or
155 transfer such notes, mortgages and grants, in whole or in part, to
156 another sponsor, if such action by the commissioner will assist in the
157 redevelopment of housing on all or part of said housing developments.
158 The selection of a sponsor by the commissioner and the housing
159 authority under subdivision (1) of this subsection to carry out all or a
160 portion of the provisions of this section for a housing use shall be
161 made on a competitive basis, from proposals solicited and submitted
162 before or after the effective date of this section. Any proceeds from the
163 sale of a housing development for a nonhousing use under this
164 subdivision shall be used solely for the capital cost of the revitalization
165 or redevelopment of the housing planned at said development and
166 shall be deemed to be part of the state's contribution to the
167 implementation of the disposition plan.

168 (b) The housing authority may participate as a partner with the
169 designated sponsor in any disposition plan approved by the
170 commissioner and may, if agreed to by the sponsor and the housing
171 authority, provide such functions as maintenance, tenant selection,
172 billing, payroll and other related services. When the housing authority
173 enters into such an agreement with a sponsor, such services may be
174 provided by employees of the housing authority.

175 (c) Eligible and qualified residents of the development shall have
176 priority over other families for the purchase or rental of available
177 housing units. If the number of eligible residents desiring to purchase
178 or rent a housing unit is greater than the number of housing units
179 available, the housing authority may devise an equitable system, by
180 lottery or otherwise, for determining which prior residents shall be
181 permitted to purchase or rent. For purposes of this section "eligible
182 resident" means a family residing in a housing development on or after
183 January 1, 2002.

184 (d) The sale or rental of housing units under subsection (c) of this
185 section and subsection (b) of section 2 of this act to families of low and
186 moderate income shall be subject to deed restrictions approved by the
187 city of New Britain which shall require that, for thirty years:

188 (1) At the time of any subsequent purchase or rental of any such
189 housing units by new owners or tenant families, the city of New
190 Britain shall insure that the owners or families shall be families of low
191 and moderate income; and

192 (2) The resale price of each housing unit shall be limited to its
193 original purchase price, adjusted for inflation and improvements to the
194 housing unit, as determined by the city of New Britain.

195 (e) The housing authority and the sponsor, with assistance from the
196 Departments of Economic and Community Development and Social
197 Services, and the Connecticut Housing Finance Authority, shall
198 reasonably assist eligible residents to meet all qualifying conditions for
199 the purchase or rental of housing units under subsection (c) of this
200 section, including, but not limited to:

201 (1) Linking eligible residents to public or private mortgage and
202 down payment assistance programs;

203 (2) Providing eligible residents with or linking eligible residents to
204 state or federal rental assistance; and

205 (3) Engaging in other reasonable actions to make it possible for
206 eligible residents to purchase or rent such housing units.

207 (f) Notwithstanding the provisions of chapters 59 and 60 of the
208 general statutes, the commissioner may, from the proceeds of any sale,
209 lease or transfer, or any combination of such actions, under subsection
210 (b) of this section, within available appropriations or within available
211 bond authorizations and bond fund consolidations, as provided in
212 section 29 of special act 95-20, as amended by this act, section 9 of
213 special act 97-1 of the June 5 special session, as amended by this act,

214 section 28 of special act 97-1 of the June 5 special session, as amended
215 by section 76 of special act 98-9 and this act, and section 9 of public act
216 99-242, as amended by this act, do all things necessary to carry out the
217 provisions of this section, including, but not limited to:

218 (1) Securing federal funds or program participation;

219 (2) Providing for relocation assistance in accordance with the
220 Uniform Relocation Assistance Act and other applicable laws
221 regarding the displacement of tenants; and

222 (3) Acting as an eligible developer, as defined in section 8-39 of the
223 general statutes, if necessary, in the event of a default.

224 Sec. 4. (*Effective from passage*) (a) Notwithstanding any provision of
225 the general statutes, a sponsor, in conjunction with a housing authority
226 in the cities of Hartford, East Hartford, New London or Stamford and
227 in cooperation with the Commissioner of Economic and Community
228 Development, may undertake the revitalization or redevelopment of a
229 development provided the housing disposition plan contains some
230 continued affordable housing use within the municipality.

231 (b) The local housing authority shall hold a public hearing on the
232 housing disposition plan. At least thirty days prior to the public
233 hearing, the local housing authority shall provide a written notice to
234 each household in the development of the date, time and place of the
235 public hearing. Such notice shall inform each household that the
236 housing disposition plan is on file and available for inspection at the
237 local housing authority's office.

238 (c) The commissioner may approve the revitalization or
239 redevelopment of a development after the housing authority's public
240 hearing, provided the housing disposition plan submitted to the
241 commissioner provides sufficient evidence that:

242 (1) The development is severely distressed or obsolete;

243 (2) The development is in a location that is no longer suitable for

244 housing;

245 (3) The development has design or construction deficiencies that
246 make cost-effective rehabilitation impractical;

247 (4) Even if reasonable rehabilitation and management intervention
248 for the development were to be completed and paid for, the
249 anticipated revenue that would be derived from charging market-
250 based rents in the development would not cover the anticipated
251 operating costs and replacement reserves of the development at
252 ninety-five per cent occupancy;

253 (5) Retention of the development is not in the best interests of the
254 residents of the development because (A) developmental changes in
255 the area surrounding the development adversely affect the health or
256 safety of the residents or the operation of the development, (B) the sale
257 or lease shall allow the acquisition, development or rehabilitation of
258 other properties, (C) the existing units shall be more efficiently or
259 effectively operated as mixed income housing, or (D) other factors, as
260 determined by the commissioner, exist to make the sale or lease of the
261 development consistent with the best interests of the residents and the
262 state and not inconsistent with other provisions of this section; and

263 (6) Relocation plan and benefits are in accordance with chapter 135
264 of the general statutes.

265 (d) In the case of demolition of a portion of a development, the
266 demolition shall help to ensure the remaining useful life of the
267 remainder of the development; and any funds received through the
268 revitalization or redevelopment shall be deposited with the
269 commissioner to be used for creation or preservation of housing.

270 (e) In the case of a housing use, the housing disposition plan shall
271 include a provision that the real property for which the plan was
272 proposed, or portion of such real property, remain affordable housing,
273 as defined in section 8-39a of the general statutes, for a period of at
274 least thirty years after the date of initial occupancy of units after the

275 revitalization or redevelopment, except that such requirement, at the
276 discretion of the commissioner, may be subordinated in the case of a
277 subsequent first mortgage of a governmental or quasi-governmental
278 agency or for the purposes of a governmental program relating to such
279 real property.

280 (f) Any housing units developed, redeveloped or revitalized under
281 the provisions of this section may be sold or rented to families who
282 meet minimum eligibility standards. Eligible residents of said
283 developments shall have priority over other families for the purchase
284 or rental of available housing units. If the number of eligible residents
285 desiring to purchase or rent a housing unit is greater than the number
286 of housing units available, the commissioner and the housing
287 authority may devise an equitable system, by lottery or otherwise, for
288 determining which prior residents shall be permitted to purchase or
289 rent. For purposes of this section, "eligible resident" means a family
290 residing in a housing development on or after January 1, 2002.

291 (g) In the case of a nonhousing use, the housing disposition plan
292 shall provide that the real property be used only for, or in conjunction
293 with, activities related to, or similar to, any program administered by
294 the commissioner pursuant to state or federal law, provided the
295 activities primarily benefit low and moderate income persons or
296 families.

297 (h) The Departments of Economic and Community Development
298 and Social Services and the Connecticut Housing Finance Authority
299 shall reasonably assist prior residents to meet all qualifying conditions
300 for the purchase or rental of housing units under subsection (e) of this
301 section, including, but not limited to:

302 (1) Linking prior residents to public or private mortgage and
303 downpayment assistance programs; and

304 (2) Linking prior residents to state or federal rental assistance.

305 (i) The commissioner may adopt regulations, in accordance with

chapter 54 of the general statutes, for the purpose of implementing the provisions of this section.

Sec. 5. Section 29 of special act 95-20 is amended to read as follows
(*Effective from passage*):

The proceeds of the sale of said bonds shall be used by the Department of Housing for the purposes hereinafter stated:

Housing development and rehabilitation, including moderate cost housing, moderate rental, congregate and elderly housing, urban homesteading, community housing development corporations, housing purchase and rehabilitation (no more than \$10,000,000 of the total), housing for the homeless, housing for low income persons, limited equity cooperatives and mutual housing projects, removal and abatement of hazardous material, including asbestos and lead-based paint in residential structures, emergency repair assistance for senior citizens, housing land bank and land trust, housing and community development, predevelopment grants and loans, reimbursement for state and federal surplus property, private rental investment mortgage and equity program, housing infrastructure, septic system repair loan program, acquisition and related rehabilitation, the purposes of sections 1 to 3, inclusive, of this act, and participation in federal programs, including administrative expenses associated with those programs eligible under the general statutes, not exceeding \$40,000,000.

Sec. 6. Section 9 of special act 97-1 of the June 5 special session is amended to read as follows (*Effective from passage*):

The proceeds of the sale of said bonds shall be used by the Department of Economic and Community Development for the purposes hereinafter stated:

Housing development and rehabilitation, including moderate cost housing, moderate rental, congregate and elderly housing, urban homesteading, community housing development corporations,

337 housing purchase and rehabilitation (no more than \$10,000,000 of the
338 total), housing for the homeless, housing for low income persons,
339 limited equity cooperatives and mutual housing projects, removal and
340 abatement of hazardous material including asbestos and lead-based
341 paint in residential structures (no more than \$2,500,000 of the total),
342 emergency repair assistance for senior citizens, housing land bank and
343 land trust, housing and community development, predevelopment
344 grants and loans, reimbursement for state and federal surplus
345 property, private rental investment mortgage and equity program,
346 housing infrastructure, septic system repair loan program, acquisition
347 and related rehabilitation, the purposes of sections 1 to 3, inclusive, of
348 this act, and participation in federal programs, including
349 administrative expenses associated with those programs eligible under
350 the general statutes, not exceeding \$18,000,000.

351 Sec. 7. Section 28 of special act 97-1 of the June 5 special session, as
352 amended by section 76 of special act 98-9, is amended to read as
353 follows (*Effective from passage*):

354 The proceeds of the sale of said bond shall be used by the
355 Department of Economic and Community Development for the
356 purposes hereinafter stated:

357 Housing development and rehabilitation, including moderate cost
358 housing, moderate rental, congregate and elderly housing, urban
359 homesteading, community housing development corporations,
360 housing purchase and rehabilitation (no more than \$10,000,000 of the
361 total), housing for the homeless, housing for low income persons,
362 limited equity cooperatives and mutual housing projects, removal and
363 abatement of hazardous material including asbestos and lead-based
364 paint in residential structures (no more than \$2,500,000 of the total),
365 emergency repair assistance for senior citizens, housing land bank and
366 land trust, housing and community development, predevelopment
367 grants and loans, reimbursement for state and federal surplus
368 property, private rental investment mortgage and equity program,
369 housing infrastructure, septic system repair loan program, acquisition

370 and related rehabilitation, the purposes of sections 1 to 3, inclusive, of
371 this act, and participation in federal programs, including
372 administrative expenses associated with those programs eligible under
373 the general statutes, not exceeding \$20,000,000.

374 Sec. 8. Section 9 of public act 99-242 is amended to read as follows
375 (*Effective from passage*):

376 The proceeds of the sale of said bonds shall be used by the
377 Department of Economic and Community Development for the
378 purposes hereinafter stated:

379 Housing development and rehabilitation, including moderate cost
380 housing, moderate rental, congregate and elderly housing, urban
381 homesteading, community housing development corporations,
382 housing purchase and rehabilitation, housing for the homeless,
383 housing for low income persons, limited equity cooperatives and
384 mutual housing projects, abatement of hazardous material including
385 asbestos and lead-based paint in residential structures, emergency
386 repair assistance for senior citizens, housing land bank and land trust,
387 housing and community development, predevelopment grants and
388 loans, reimbursement for state and federal surplus property, private
389 rental investment mortgage and equity program, housing
390 infrastructure, septic system repair loan program, acquisition and
391 related rehabilitation, loan guarantees for private developers of rental
392 housing for the elderly, the purposes of sections 1 to 3, inclusive, of
393 this act, and participation in federal programs, including
394 administrative expenses associated with those programs eligible under
395 the general statutes, not exceeding \$5,000,000.

396 Sec. 9. (*Effective July 1, 2003*) (a) For the purposes described in
397 subsection (b) of this section, the State Bond Commission shall have
398 the power, from time to time, to authorize the issuance of bonds of the
399 state in one or more series and in principal amounts not exceeding in
400 the aggregate fifteen million dollars.

401 (b) The proceeds of the sale of said bonds, to the extent of the

402 amount stated in subsection (a) of this section, shall be used by the
 403 Department of Economic and Community Development for the
 404 purpose of funding the housing authority of the city of New Britain for
 405 the redevelopment and revitalization of Corbin Heights, Corbin
 406 Heights Extension, Pinnacle Heights and Pinnacle Heights Extension.

407 (c) All provisions of section 3-20 of the general statutes, or the
 408 exercise of any right or power granted thereby, which are not
 409 inconsistent with the provisions of this section are hereby adopted and
 410 shall apply to all bonds authorized by the State Bond Commission
 411 pursuant to this section, and temporary notes in anticipation of the
 412 money to be derived from the sale of any such bonds so authorized
 413 may be issued in accordance with said section 3-20 and from time to
 414 time renewed. Such bonds shall mature at such time or times not
 415 exceeding twenty years from their respective dates as may be provided
 416 in or pursuant to the resolution or resolutions of the State Bond
 417 Commission authorizing such bonds. None of said bonds shall be
 418 authorized except upon a finding by the State Bond Commission that
 419 there has been filed with it a request for such authorization which is
 420 signed by or on behalf of the Secretary of the Office of Policy and
 421 Management and states such terms and conditions as said commission,
 422 in its discretion, may require. Said bonds issued pursuant to this
 423 section shall be general obligations of the state and the full faith and
 424 credit of the state of Connecticut are pledged for the payment of the
 425 principal of and interest on said bonds as the same become due, and
 426 accordingly and as part of the contract of the state with the holders of
 427 said bonds, appropriation of all amounts necessary for punctual
 428 payment of such principal and interest is hereby made, and the State
 429 Treasurer shall pay such principal and interest as the same become
 430 due.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>from passage</i>
Sec. 7	<i>from passage</i>
Sec. 8	<i>from passage</i>
Sec. 9	<i>July 1, 2003</i>

HSG *Joint Favorable Subst. C/R* PD

PD *Joint Favorable Subst. C/R* FIN